DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA   95814

March 9, 1992

ALL COUNTY INFORMATION NOTICE I-15-92

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INTERCEPTION OF <u>STATE AND FEDERAL</u> INCOME TAX REFUNDS
TO COLLECT DELINQUENT RESTITUTION OF AFDC OVERPAYMENTS
AND FOOD STAMP OVERISSUANCES - AFDC/FS INTERCEPT
PROGRAM

The State Department of Social Services (SDSS), in conjunction
with the Food and Nutrition Service (FNS), Internal Revenue
Service (IRS), State Controller's Office and the Franchise Tax
Board (FTB) will again administer a Federal and State income tax
refund Intercept Program for Tax Year (TY) 1992. This program is
designed to facilitate the collection of delinquent restitution
of Aid to Families with Dependent Children (AFDC) overpayments
and Food Stamp (FS) overissuances. The State program has proved
to be an effective collection device, with over $4.6 million
dollars in tax refunds intercepted for TY 1990.

AFDC/FS intercept regulations have been approved and are
effective as of May 28, 1991. These regulations are part of
Division 20 of the SDSS Manual of Policy and Procedures. There
is no change in the criteria for submission of accounts for
intercept as a result of the regulations. These regulations will
be modified shortly to include the Federal Intercept Program.
For Tax Year 1992, the operation of the Intercept Program will be
similar to that of previous years.

The changes for this year are as follows: (1) the submission date
for county's input has been moved to June 1st, and the
instructions for magnetic tape and floppy disks has been modified
(Attachment 3).

This letter provides the following: a timetable of activities (Attachment 1), and necessary forms which must be completed in order to intercept TY 1992 Federal and State income tax refunds (Attachments 2 through 7).

As in the past this program is voluntary. If your County plans to participate in the AFDC/FS Intercept Program, please complete Attachment 2, "Participation Agreement," by May 15, 1992, and return it to:

> State Department of Social Services
> Fraud Program Management Bureau
> Attention: Intercept Coordinator
> 744 P Street, M.S. 19-26
> Sacramento, CA 95814

Because of the effectiveness of the AFDC/FS Intercept Program in aiding in the collection of AFDC overpayments and FS overissuances, the department encourages all counties to participate. If you have any questions or comments, please contact Dave Fairchild of the SDSS Fraud Program Management Bureau at (916) 445-3766.

ROBERT A. HOREL
Deputy Director

Attachments

cc: CWDA

AFDC/FS INTERCEPT PROGRAM: TIMETABLE

Activity	Date
County notifies the SDSS of intent to participate in the AFDC/FS Intercept Program by submitting Attachment 2.	May 15, 1992
County sends Attachment 7 and county restitution account information to the SDSS.	June 1, 1992
The SDSS will key enter input documents and merge edit tapes to produce statewide master tapes.	June 1, 1992 through June 18, 1992
The SDSS will send the IRS tape to FNS for pre-offset addresses and testing.	June 22, 1992
SDSS receives data back from FNS with addresses and errors.	July 7, 1992
The SDSS corrects errors and resubmits tape.	July 30, 1992
The SDSS receives data from FNS with errors.	August 20, 1992
The SDSS mails the pre-offset notices for IRS to the individuals.	September 28, 1992
The SDSS will forward master tape to FTB.	November 2, 1992
Pre-Offset notice sent to taxpayers for FTB.	December 3, 1992
The SDSS will forward certified tape to FNS/IRS.	December 5, 1992
IRS and FTB will run continuous matches against IRS and FTB master indexes through 1992.	Beginning January 1993 and ongoing.
The county will submit deletions to the SDSS, if necessary.	Beginning July 1992 and ongoing thru 1993.
The SDSS will send the Weekly Report of IRS and FTB Matches to the county.	Weekly
IRS and FTB will transfer total collection to the State Controller.	Weekly
The State Controller will send to the County Treasurer a check representing the total amount collected for the weekly period.	Weekly
The county welfare department shall credit each recipient's account with the amount intercepted and record the total amount received by the county as a repayment on Form CA-800 or CA 209.	Ongoing

AFDC/FS INTERCEPT PROGRAM: PARTICIPATION AGREEMENT

Submit this document to:

> State Department of Social Services
> Fraud Program Management Bureau
> Attention Intercept Coordinator
> 744 P Street, M.S. 19-26
> Sacramento, CA 95814

_____ County will participate in the Federal and State
AFDC/FS Intercept Programs to collect delinquent restitution of AFDC
overpayments and FS overissuances.

_____
Director's Name

_____   _____
Director's Signature   Date

1. Estimated number of cases county will submit for intercept: ____/_____
                                                                 AFDC FS

2. Restitution Account input medium.(Circle one): Magnetic Tape/Floppy/Forms

3. Name and telephone number of the county contact person assigned to the
    AFDC/FS Intercept Program (liaison with the SDSS).

    Name_____Title_____

    Department_____

    Unit/Division_____

    Address_____

    City_____Zip Code_____Telephone (___)_____

4. Name and telephone number of the county representative responsible for
    handling local level, i.e., public inquiries concerning the AFDC/FS
    Intercept Program. (This person's name and address will be placed on the
    notice sent to persons whose state income tax refunds have been
    intercepted.)

    Name_____Title_____

    Department_____

    Unit/Division_____

    Address_____

    City_____Zip Code_____Telephone (_____)_____

AFDC/FS INTERCEPT PROGRAM
MAGNETIC TAPE AND FLOPPY DISK
RESTITUTION RECORD DESCRIPTION

Automated Input Preparation, Magnetic Tape or Floppy Disks

Magnetic Tape and Floppy Disks can be used to transmit "Establishment"
cases only. Changes and deletes are to be transmitted on paper
documents (see Attachment 4). A standard transmittal and instructions
are included (Attachment 5).

MAGNETIC TAPE INSTRUCTIONS:

File Format: Sequential
Character Format: EBCDIC
Medium: 9 TRACK tape 1600 BPI or 9 TRACK tape 6250 BPI or
          IBM formatted 3480 cartridge
Labels: Unlabeled
Record Length: 195 bytes
Blocking Factor: 1 record per block
Documentation: A transmittal must accompany the tape (Attachment 5).
                The transmittal should identify the county name and
                county number, the number of transaction records and
                the density (i.e., 1600 BPI or 6250 BPI). Most
                importantly, identify the tape as input to the welfare
                overpayment intercept process. Example: AFDC/FS --
                IRS AND FTB REFUND INTERCEPT. Please put the type of
                system which generated the tape (i.e., IBM, HONEYWELL,
                BURROUGHS, etc.).

FLOPPY DISKS:

Type of PC: IBM Compatible

Floppy Size: 3 1/2" of 5 1/4" 2S/2D MD2

Format: ACSII or Standard Data Format (SDF).

Label: AOI.COXX where XX is your county number (01-58).

A transmittal must accompany the floppy (Attachment 5). The
transmittal and instructions are included.

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE AND FLOPPY DISK
RESTITUTION RECORD DESCRIPTION - Continued

Mailing address for either tape or floppy is:

>   Department of Social Services
>   Production Controls
>   Attention: AOI-Intercept Program
>   744 P Street, M.S. 19-13
>   Sacramento, CA 95814

Sort Key: County Number, Social Security Number for tape and floppy.

Record Items:

NOTE RECORD TYPE "2", "3" AND "4" CAN ONLY BE SUBMITTED ON PAPER AT
THIS TIME.

1.   Record Type - One (1) digit numeric field to indicate the type of
     transaction: 1=ESTABLISH; 2=CHANGE; 3=DELETE; and 4=REFUND.

2.   County Number - Two (2) digit unsigned numeric field. It is
     required. Valid values 01 through 58.

3.   Tax Year - Four (4) digit numeric field to indicate the tax year
     to be intercepted. 19XX until YR 2000.

4.   Worker/Dist ID - Five (5) character alpha-numeric field to
     identify the worker or district.

5.   Social Security Number - Nine (9) digit numeric field which
     contains the recipient's SSN. It is required. Cannot start with
     '8', or '9'. May be unsigned or signed according to COBOL format
     S9(9).

6.   Case Identification Number - Fifteen (15) character alpha-numeric
     field which contains the case identification number. It is
     optional entry. When not used, blank fill. When used, should be
     left justified.

7.   Delinquency Date - Eight (8) digit numeric field which contains
     the date that the account became delinquent. YYYYMMDD where YYYY
     is 19XX until YR 2000.

8.   Last Name - Fifteen (15) character alphabetic field which
     contains the recipient's last name. It is required. Must be
     left justified with no special characters (i.e., hyphen,
     apostrophe, etc.).

9.   First Name - Ten (10) character alphabetic field which contains
     the recipient's first name. It is optional entry. When not
     used, blank fill. When used, must be left justified with no
     special characters (i.e., hyphen, apostrophe, etc.).

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE
RESTITUTION RECORD DESCRIPTION – Continued

10. Middle Initial – One (1) character alphabetic field which
    contains the recipient's middle initial. It is optional entry.
    When not used, blank fill.

11. Care of Name – Twenty (20) character alpha-numeric field which
    contains the care of (c/o) portion of recipient's address, if
    any. It is optional entry. When not used, blank fill.

12. Street Address – Twenty (20) character alpha-numeric field which
    contains the recipient's street address. It is required.

13. City – Eighteen (18) character alpha-numeric field which contains
    recipient's city. It is required.

14. State/Country – Nineteen (19) character alpha-numeric field which
    contains the state name or foreign country of the recipient. It
    is required.

15. Zip Code – Nine (9) digit alpha-numeric field which contains the
    recipient's zip code. (5+4) left justified.

16. AFDC Amount Delinquent (FTB) – Nine (9) digit numeric field which
    contains the total amount of the delinquent restitution. It is
    required. Cents are reduced to zero (i.e., $10.60 = $10.00).
    The decimal character is dropped. Right justified with preceding
    zeros (i.e., $10.60 = 000001000). May be unsigned or signed
    according to COBOL format S9(7)v99. Amount must be at least $10
    dollars for the FTB intercept program.

17. Food Stamp Amount Delinquent (FTB) – See number 16 for
    description. Amount must be at least $10 dollars for the FTB
    intercept program.

18 Food Stamp Amount Delinquent (IRS-IPV) – See number 16 for
    description of the file. Amount must be at least $25 dollars for
    the IRS intercept program.

19 Food Stamp Amount Delinquent (IRS-IHE) – See number 16 for
    description of the file. Amount must be at least $25 dollars for
    the IRS intercept program.

20. Three 3 character field which contains blanks for magnetic tape,
    enter "AOI" for floppy disks.

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE
RESTITUTION RECORD DESCRIPTION – Continued

TRANSACTION RECORD LAYOUT

FIELD NUMBER	ITEM	LENGTH/MODE	POSITIONS
1	Record Type	1N	01
2	County Number	2N	02-03
3	Tax Year	4N	04-07 (19XX)
4	Worker/Dist ID	5A	08-12
5	Social Security Number	9N	13-21
6	Case ID	15A	22-36
7	Delinquency Date	8N	37-44 (YYYYMMDD)
8	Last Name	15A	45-59
9	First Name	10A	60-69
10	Middle Initial	1A	70
11	Care of Name – Address	20AN	71-90
12	Street Address	20AN	91-110
13	City	18AN	111-128
14	State-Country	19AN	129-147
15	Zip Code	9AN	148-156
16	AFDC Amount	9N	157-165
17	Food Stamp Amount FTB	9N	166-174
18	Food Stamp Amount IRS-IPV	9N	175-183
19	Food Stamp Amount IRS-IHE	9N	184-192
20	Filler (enter AOI for disks)	3AN	193-195

AFDC/FS INTERCEPT COUNTY
TRANSACTION DOCUMENT DESCRIPTION

County KED Instructions

This form can be used for inputing cases to the program as well as
modifiying or deleting the case from the program. When inputing cases
to the program AFDC and Food Stamp amounts can be placed on the same
form. A separate form is required for each worker/district number if
they are used.

DO NOT MIX WORKER/DISTRICT NUMBERS ON THE SAME FORM.

HEADER INFORMATION

o   COUNTY CODE

     For each document enter county number.

o   TAX YEAR

     Enter year that returns will be intercepted for.

o   WORKER/DISTRICT NUMBER (5 characters maximum)

     Worker/District number is an optional county use field to be used
     for additional county identification of cases. Use a separate
     form for each different worker/district number. Data can be
     entered free form in any desired format. There are no
     restrictions on alphabetic or numeric characters.

o   RECORD TYPE

     Put an 'X' in the applicable box:

     "1 = Establish", to enter an account into the program;
     "2 = Change", to modify an account already input in the program;
     "3 = Delete", to delete an account already input into the
     program;
     "4 = Refund", is not for use at this time.

WE CAN NOT ACCEPT "ESTABLISH" CASES AFTER JUNE 18TH FOR THIS TAX YEAR.

RESTITUTION INFORMATION

1.   SOCIAL SECURITY NUMBER (9 DIGITS)

     Enter recipient's Social Security Number. This field is required
     and must contain nine digits. The first digit cannot be '8', or
     '9'.

AFDC/FS INTERCEPT COUNTY
TRANSACTION DOCUMENT DESCRIPTION

2. CASE IDENTIFICATION NUMBER   (15 CHARACTERS MAXIMUM)

    This is an optional field to be used for additional county
    identification of cases. Data can be entered free form in any
    desired format. There are no restrictions on alphabetic or
    numeric characters.

3. DELINQUENCY DATE

    Enter the date that the account became deliquent.

4. LAST NAME (15 ALPHABETIC CHARACTERS MAXIMUM)

    Enter recipient's last name. This is a required field and must
    be alphabetic. Use only the letters 'A' through 'Z'. Do not use
    special characters such as hyphen, apostrophe, etc. If a
    recipient has aliases, make a separate complete entry for each
    different last name. (FTB only uses the SSN and first four
    letters of the last name for matching purposes.)

5. FIRST NAME   (10 ALPHABETIC CHARACTERS MAXIMUM)

    Enter recipient's first name. When entered, the characters must
    be alphabetic.

6. MIDDLE INITIAL   (1 ALPHABETIC CHARACTER MAXIMUM)

    Enter recipient's middle initial. This is not a required field,
    but if entered, must be alphabetic.

7. CARE OF NAME   (20 CHARACTERS MAXIMUM)

    Enter care of (c/o) portion of recipient's address, if any.
    Twenty (20) character maximum (including blank spaces).

8. STREET ADDRESS   (20 CHARACTERS MAXIMUM).

    Enter recipient's street address. Twenty (20) characters maximum
    (including blank spaces).

9. CITY   (18 CHARACTERS MAXIMUM)

    Enter recipient's city. This field is required.

AFDC/FS INTERCEPT COUNTY
TRANSACTION DOCUMENT DESCRIPTION

10. <u>STATE</u> (19 CHARACTERS)

    Enter recipient's postal state code. See no. (10-11) below for
    foreign countries.

11. <u>ZIP CODE</u> (9 DIGITS)

    Enter recipient's zip code (5+4). This field is optional. See
    no. (10-11) below for foreign countries.

(10-11). <u>FOREIGN COUNTRY</u> (19 CHARACTERS MAXIMUM)

    Enter foreign country of recipient. This field, when used
    replaces the state and zip code fields.

12-15. <u>DOLLAR AMOUNT DELINQUENT</u> (7 DIGIT MAXIMUM - NO CENTS)

    Enter the total amount of the delinquent restitution to the
    nearest <u>whole dollar</u> (round down to the nearst dollar and drop
    cents). AFDC and Food Stamp amounts can be entered on the same
    form for each case. At least one of the fields has to contain an
    amount of zero or greater. To DELETE an amount enter "0" in that
    field. To CHANGE an amount, enter the new dollar amount - no
    cents.

    Leave the field blank if there is no entry.
    Mark "0" to delete the amount.
    Use new amount for change in arrearage.
    Can not establish an amount after JUNE 18, 1992.

    NOTE: This form is not to be used for the Child Support
    Intercept System nor are child support forms to be used for this
    system.

    A transmittal must accompany the documents. The necessary form
    and instructions are included as Attachment 5.

AFDC/FS INTERCEPT
COUNTY TRANSACTION DOCUMENT

COUNTY CODE	TAX YEAR	WORKER/DISTRICT ID	RECORD TYPE
			☐ 1 = Establish　　☐ 2 = Change　　☐ 3 = Delete　　☐ 4 = Refund

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE	12. AFDC AMOUNT	|00
4. LAST NAME	5. FIRST NAME	6. M.I.	13. FOOD STAMP AMOUNT (FTB)	|00
7. C/O NAME	8. STREET ADDRESS		14. FOOD STAMP AMOUNT (IRS IPV)	|00
9. CITY	10. STATE/COUNTRY	11. ZIP CODE	15. FOOD STAMP AMOUNT (IRS IHE)	|00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE	12. AFDC AMOUNT	|00
4. LAST NAME	5. FIRST NAME	6. M.I.	13. FOOD STAMP AMOUNT (FTB)	|00
7. C/O NAME	8. STREET ADDRESS		14. FOOD STAMP AMOUNT (IRS IPV)	|00
9. CITY	10. STATE/COUNTRY	11. ZIP CODE	15. FOOD STAMP AMOUNT (IRS IHE)	|00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE	12. AFDC AMOUNT	|00
4. LAST NAME	5. FIRST NAME	6. M.I.	13. FOOD STAMP AMOUNT (FTB)	|00
7. C/O NAME	8. STREET ADDRESS		14. FOOD STAMP AMOUNT (IRS IPV)	|00
9. CITY	10. STATE/COUNTRY	11. ZIP CODE	15. FOOD STAMP AMOUNT (IRS IHE)	|00

1. SSN	2. CASE I.D.	3. DELINQUENCY DATE	12. AFDC AMOUNT	|00
4. LAST NAME	5. FIRST NAME	6. M.I.	13. FOOD STAMP AMOUNT (FTB)	|00
7. C/O NAME	8. STREET ADDRESS		14. FOOD STAMP AMOUNT (IRS IPV)	|00
9. CITY	10. STATE/COUNTRY	11. ZIP CODE	15. FOOD STAMP AMOUNT (IRS IHE)	|00

DPS 249 (2/92)

AFDC/FS INTERCEPT SYSTEM TRANSMITTAL

Use this transmittal when sending AFDC/Food Stamp submissions to DSS.

ITEM   ENTER
----   -----

1. COUNTY NAME   County name

2. COUNTY NUMBER   County number (State code 01 thru 58)

3. CURRENT DATE   Today's date

4. TAX YEAR   Tax Year being processed

5. SUBMITTED BY   Name of person submitting documents

6. PHONE NUMBER   Phone number of person submitting
                            documents

7. DOCUMENTS   Enter the total number of documents being
                            submitted at this time.

8. TAPE INPUT   When sending a tape, indicate the tape
                            number, type of computer, tape density
                            and number of records on the tape.

9. FLOPPY DISKS   When sending a Floppy disk, enter the
                            type of disk, filename(s), filesize,
                            number of records and total bytes (# of
                            bytes x # of records).

AFDC/FOOD STAMP INTERCEPT SYSTEM TRANSMITTAL

NOTE: THIS TRANSMITTAL MUST ACCOMPANY ALL AFDC/FOOD STAMP INTERCEPT
        PROGRAM MAGNETIC TAPES, FLOPPY DISKS AND INPUT DOCUMENTS

TO: DEPARTMENT OF SOCIAL SERVICES
     PRODUCTION CONTROLS, MS 19-13   37501/_____
     744 P STREET
     SACRAMENTO, CA 95814   E_____ V_____

COUNTY NAME	COUNTY NUMBER	CURRENT DATE	TAX YEAR

SUBMITTED BY	PHONE NUMBER

I.   NUMBER OF DOCUMENTS: _____

                                OR

II.   TAPE INPUT: ( )1600 BPI

                | TAPE NUMBER | ( )6250 BPI
                | NUMBER OF RECORDS | ( )3480 Cartridge

                TYPE OF COMPUTER: _____

                                OR

III.   FLOPPY DISKS   ( )5 1/4 IBM COMPATIBLE
                                               ( )3 1/2 IBM COMPATIBLE

Filename: _____   File size (# of bytes):_____

Number of Records:_____   Total bytes:_____

TEMP 1722A (2/92)

State of California — Health and Welfare Agency   Department of Social Services

Submit this form to:

> State Department of Social Services
> Fraud Program Management Bureau
> Attention Intercept Coordinator
> 744 P Street, M.S. 19-26
> Sacramento, CA 95814

LIMITED ASSIGNMENT OF DELINQUENT RESTITUTION

_____County hereby assigns to the State Department of
Social Services those cases with delinquent restitutions for the limited purpose
of allowing the State Department of Social Services to effect collection of said
restitution pursuant to California Government Code Section 12419.5. This
assignment is for the limited purpose stated and does not preclude
_____ County from taking any other action for collection of
these restitutions.

_____
        CWD Director's Name

_____   _____
        CWD Director's Signature   Date

CERTIFICATION CORRECTNESS OF DELINQUENT RESTITUTION

I, (Name) _____declare that I have
supervised the compilation of the list of delinquent accounts submitted to the
State Department of Social Services and I am informed and believe that each listed
individual has been identified by the correct Social Security Number, that the
County has the "right of recovery", as defined in the regulations
(SDSS MPP 20-400), the ACL Checklist was reviewed (Attachment 7), and that the
amount of total restitution owed is correct.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this _____ day of _____ , 1992,

in the County of _____ , California.

_____
        Signature

_____
        Title

CHECKLIST OF ALL COUNTY LETTERS
TO BE REVIEWED PRIOR TO SUBMISSION OF CASE
FOR TAX INTERCEPT

AFDC OVERPAYMENTS

1. All cases

    A. All-County Letter (ACL) 85-49 (Edwards v. McMahon)

        Instruction: Ensure that all underpayments are set off
        against existing overpayments.

2. Cases involving excess resources:

    A. ACL 87-40 (Excess property overpayments -- Cases in
        collection) (EAS 44-350.12, 352.1)

        Instruction: Ensure that good faith review has been
        performed and that recipient was notified of result of
        review; if no review previously performed, review case
        inaccordance with ACL and notify recipient; no intercept
        pending outcome of review. If overpayment reduced after
        review, and prior collection exceed revised amount, make
        corrective payment.

3. Cases involving lump sum payments:

    A. ACL 85-67 (Stephens v. McMahon, Shaw v. McMahon)

        Instructions:

        1) Ensure that overpayment was not caused by "windfall"
            lump sum payment received between April 2, 1982 and
            August 1, 1986;

        2) Ensure that, in determining amount of overpayment,
            eligibility under Shaw was considered.

    B. ACL 86-90, 88-76 (Rutan v. McMahon)

        Instruction: Counties must cease all recoupment activity
        for overpayments caused by receipt of lump sum income
        prior to receipt of an adequate notice explaining the
        lump sum rule. If the lump sum payment was received
        prior to November 16, 1986, there is a presumption that
        no such notice was sent.

4. Cases involving excess income:

    A. ACL 86-44 (Noia v. McMahon)

        Instruction: If overpayment arose from a loan considered
        as income, ensure that instructions in ACL 86-44 have
        been followed. (Note: In most cases, loan was received
        between October 1, 1985 and July 1, 1986.)

    B. ACL 84-93, 85-41 (Collins v. Woods)

        Instruction: Counties should not be recouping nonwillful
        overpayments made prior to April 2, 1982. In any such
        case, stop recoupment and make corrective payments of all
        amounts recouped after August 28, 1984.

5. Technical overpayments

    A. All County Information Notice (ACIN) I-113-84

        Instruction: Review case to ensure that overpayment did
        not arise from "technical ineligibility" (e.g., failure
        to register for WIN because of county error). If case
        involves a technical overpayment which occurred after
        January 1, 1985, stop recoupment and make corrective
        payments of amounts previously recovered.

FOOD STAMP OVERISSUANCES

1. All County Information Notice I-46-87

    Instruction: Ensure that amount of claim is determined in
    accordance with EAS 63-046, 63-801.111 and 63-801.311.

ALL AFDC AND FOOD STAMP DEBTS

1. All County Information Notice I-65-86 (Effects of Bankruptcy
    on Public Assistance Overpayments).

    Instruction: If a bankruptcy has been filed, consult this
    ACIN.